

Community Clean Energy Resiliency Initiative Question and Answer Forum

Q1. Are there any circumstances under which Hanscom Air Force Base, a federal installation, would be eligible to apply for assistance from the Community Clean Energy Resiliency Initiative?

A1. Hanscom Air Force Base would not, itself, qualify as an eligible applicant under the Initiative, but as stated in the "Critical Facilities" section of both Application Information documents:

"Critical facilities may be publicly or privately owned and operated. The lead eligible applicant, however, must demonstrate to DOER that any private facilities (e.g. hospitals, fueling stations, grocery stores, or housing) have entered into or are pursuing entry into a Memorandum of Understanding to provide the applicant critical functions for public benefit in the case of an emergency event. Such a Memorandum of Understanding must be completed prior to any award being made by DOER."

That means that while Hanscom AFB would not be the applicant, it could partner with a local municipality such that a facility on the base would serve that community during an emergency event. For example, if you were to make an agreement with the town of Bedford that a building on the base would serve as an emergency shelter for its residents during a long-term outage, the town of Bedford would be able to apply for the Initiative with the base serving as its partner/project host.

Q2. Will support for technical assistance reduce the amount of funds available for project implementation? If so, please describe how.

A2. DOER has currently allocated \$200,000 of the \$40 million for the consulting contract for technical assistance so that such assistance can be provided at no cost to awarded applicants. DOER has the discretion to increase this amount if deemed necessary through higher than anticipated demand for services.

Q3. Since project implementation funds can be used for system design and engineering costs, what level of engineering will the technical analysis provide? In other words, how 'shovel ready' do you need to be to apply for project implementation funds? Please clarify.

A3. The technical assistance offered by DOER through solicitation PON-ENE-2014-035 will include a technical analysis resulting in a summary report containing critical conceptual design information and indicative economic information on a potential resiliency project, including:

- Description of system technology and design, grid-configuration, capabilities, and supervisory control and data acquisition (SCADA) requirements
- System schematic (1-line diagram) showing relative locations of primary generation equipment, switchgear, controls and point(s) of common coupling
- Installed equipment, labor, services and O&M costs

- System energy and financial performance, including cost benefit analysis considering all major potential revenue sources and energy cost savings

The report will also include a detailed project plan including:

- Major siting and implementation barriers identified during project evaluation
- Assessment of the system against a variety of metrics, including ability to reduce severity and/or duration of service interruptions, and support for critical infrastructure
- Resiliency to gradual pressures (e.g., temperature change, rainfall decrease/increase, and rising energy costs)
- Resiliency to acute pressures (e.g., natural disaster or major equipment failure)

To apply for project implementation funds, a project should have reached, at least, this level of pre-engineering design. Item #5 of the “Specific Project Information” section of the Project Implementation Application Form outlines the minimum requirements for the design study and financial analysis for a project implementation application.

Also, please note that as described in the “Evaluation Criteria” section of the Project Implementation Application Information document, one component of the application score will be its “clear plan to expeditiously execute the proposed project.” As further outlined, “all projects should demonstrate a strong plan for completion by the end of calendar year 2015 at the latest.”

Q4. Are combined heat and power systems run on natural gas considered eligible? Or do CHP systems need to be powered by a renewable energy source?

A4. Natural gas combined heat and power systems are considered eligible under the Community Clean Energy Resiliency Initiative. These systems should be able to island from the grid during an outage and have black start capability. Such systems may also have ride through capability, but this is not required. Such systems should also make full use of any available financial support through both the Mass Save utility program and the DOER APS program, and document those resources in the application budget.

Q5. The sample state median per capita income provided on page 5 of the project implementation application information is \$29,927, however, the state median per capita income provided on the website link is \$35,206. Please advise which value should we use?

A5. The calculated state median per capita based on the averaging of all town per capita incomes is \$29,927. The cited \$35,206 is the ratio between the total statewide per capita income and the total population. For our purposes, we will use the calculated median figure: \$29,927.

Q6. Under the requirement that all applicants must demonstrate that they have fully utilized and accounted for available federal, state and utility incentives, does this include other state funding for technical assistance? We have a situation where we can use other state funds for a technical analysis

to determine the viability of installing an islandable PV system on an emergency facility. Do we have to use this opportunity and if we do, how can we get in line to apply for project implementation funds during the second phase of funding seeing as we would not be using the resiliency-funded technical assistance? The results of the technical analysis that we could receive via other state funds will not be available in time to apply for the first round of the resiliency project implementation funds.

A6. Round 2 Project Implementation funding is only available to those applicants who were awarded technical assistance under the Initiative or who submitted a Round 1 Project Implementation Application that scored well but went un-funded due to lack of funds.

In this particular instance, DOER recognizes that the timing of the external technical analysis would not allow for submission of a Round 1 Project Implementation Application and therefore, the applicant would not be penalized for not taking advantage of this funding for use under the Initiative.

Q7. As stated in the two PONs, this “opportunity allows eligible applicants to pursue either technical assistance OR project implementation.” Should this be interpreted as AND/OR given that communities that apply for technical assistance will obviously be able to apply for both technical assistance and project implementation (albeit not until phase II). In other words, can communities apply for both project implementation in phase I and technical assistance so that they can be eligible to apply for project implementation funds in phase II? For instance, if a community was ready to start on a project for which they did not need technical assistance but knew they would need some technical assistance for a second project do they have to choose one or the other or can they apply for technical assistance AND phase I project implementation funds during this round of applications?

A7. A municipality can apply for technical assistance and project implementation at two different facilities in the first round of the Initiative. That is, if an applicant has a project at a critical facility that is ready for implementation, a Project Implementation Application can be submitted for that facility, while also submitting a Technical Assistance Application for a project at another critical facility.

Q8. At what point does a microgrid project become ‘complex’? This is in reference to projects that will be considered for receiving more than the maximum grant amount as determined by the per capita income and population formula. For example, does ‘complex’ refer to the number of facilities involved? The number and variety of backup systems involved? Whether the microgrid provides backup services for only municipal facilities or municipal and private facilities? Other criteria?

A8. For an applicant to be considered for more than the maximum grant amount as determined by the per capita income and population formula laid out in the Project Implementation Application Information document, the applicant would need to provide DOER with clear and reasonable justification for the request.

DOER acknowledges that a microgrid system that includes energy distribution across public way would require a utility waiver to operate and would thereby be considered complex.

Q9. As stated in the PI application information, the DOER maintains the right to consider projects that go beyond the maximum grant amount as determined by the per capita income and population formula in cases where there are coordinated applications across more than one municipality. What about cases where PI funds would be supporting a regional emergency facility (e.g., a regional shelter) that serves multiple communities?

A9. In cases where PI funds would be supporting a regional emergency facility serving multiple communities, the maximum grant amount would be determined based on the municipalities supported by that facility. An applicant would sum maximum grant amounts of the municipalities served and use that as the maximum grant amount for the project.

A regional application requires one lead applicant but participating municipalities need to be identified in the application as Affiliated Entities.

In the case of a group of municipalities (under one lead applicant) applying for a project at a regional critical facility, any other project funds requested by the affiliated municipalities through the program must be subtracted from the maximum grant amount available. That is, should municipalities X, Y, and Z be partnering on a project at critical facility A, while municipalities X and Z are also applying for projects at critical facilities B and C, respectively, the amount available for project A would be the total of the maximum available to X, Y, and Z minus the amounts requested for projects B and C.

Q10. If we are pursuing solar photovoltaic panels as part of a project, first, what portion of the cost would be covered through the Community Clean Energy Resiliency Initiative, and second, can we size the array beyond the capacity of the emergency shelter, so that it will serve other buildings on our campus?

A10. The Community Clean Energy Resiliency Initiative will not fund project costs that are otherwise incentivized by state or other entities. In the case of solar photovoltaic panels, there are federal tax credits, state tax credits, a state rebate, and performance incentives through the SREC II program available. The Initiative, therefore, would not contribute to the conventional costs of solar photovoltaic systems. Solar systems serving municipal facilities can typically be owned and financed by third-parties, and community shared solar ownership structures may be feasible.

In the case of solar photovoltaic panels, an applicant may size the solar array to suit your needs as long as the resiliency equipment linked to this generation (switch gear, controls, storage, etc) serves the critical facility sufficiently. In this case, the Initiative would be providing funding for this resiliency equipment, not the generation equipment.

Q11. CVEC, an energy cooperative here on the Cape serving the Cape & Martha's Vineyard, would very much like to participate in the Resiliency Initiative. We are a non-profit governmental entity contracts with our member municipalities through intergovernmental agreements. Would CVEC be able to participate in the Resiliency Initiative on behalf of our member municipalities?

A11. In a similar vein as the Regional Planning Agencies, CVEC would be eligible to submit an application for the Initiative on behalf of its member municipalities.

Q12. Would it be better for the COA, representing a department of the Town of Sterling to apply for a grant or should the Friends (501c3 entity) apply?

A12. The Friends of Sterling Seniors, as a non-municipal entity, would not, itself, qualify as an eligible applicant under the Initiative, but the Town of Sterling would. The Council on Aging may be leading the application in this case but would need a legal authorized representative from the Town of Sterling to support this application as the municipality itself is required to be the applicant.

Q13. In the program implementation PON you state that "...funding will NOT cover ... the portion of the cost of clean energy equipment that is already financially incentivized by other state, federal, utility, non-profit or private programs..." Since municipalities cannot access the incentives provided through federal and state tax credits - which typically reduces the cost of a PV system by about 30% - can they apply for funds to cover this portion of the cost (the value of the unavailable tax incentives) of a renewable or alternative energy system even though the system may qualify for SRECs, net metering, AECs or utility rebates? I suspect that municipalities will be unable to afford municipally-owned PV systems without such support and will have to attempt to contract for 3rd-party owned systems through a PPA, which could be problematic given the unique needs of an islandable PV system and relatively small system sizes.

A13. DOER cannot provide funding for PV panels themselves as they already receive incentives from DOER. DOER can, however, provide funding for the resiliency equipment that would allow islanding and extended operation, such as inverters, controls, and battery storage.

Q14. Page 6 of the "Project Implementation Application Information" document refers to a "cost share requirement". I do not see anywhere in this document or the Application Forms a clear definition of what the cost share requirement is. Can you clarify?

A14. As stated in the Funding Guidelines section (page 5) of the "Project Implementation Application Information" document:

The applicant submitting a PI Application must provide a minimum of 10% match of funding for the project, with no more than half of the match allowed as in-kind. Match provided by an RPA applying on behalf of multiple municipalities is acceptable.

Q15. There appears to be \$40 million to divide between the two PI PONs. DOER is also anticipating providing technical assistance at no charge to between 40 and 80 TA applicants. What is the budget for the TA offering, and is there a per-project cap? Am I right in thinking the TA budget is in addition to the \$40 million PI budget, or am I reading this incorrectly?

A15. See answer A2.

Q16. Many of our municipal buildings have PV through a PPA, so City does not own the electrical generation capacity. If we are proposing energy storage and islanding technology, does that make these buildings ineligible or lower priority? Would TA help us think through these legal ownership issues?

A16. Proposing energy storage and islanding technology for existing PV systems, whether directly owned or through a PPA, would be eligible for funding. A PPA would NOT be pushed to lower priority. The technical assistance provided through the Initiative is focused on technical and financial aspects of a project so would not cover legal ownership issues.

Q17. I don't believe that National Grid regularly provides 15 minute electrical use data, while NSTAR does. If that is correct, does that make cities in National Grid electric communities a lower priority?

A17. An applicant would not be given more or less priority based its utility service area. So, no, National Grid electric communities would NOT be a lower priority.

Q18. If CHP projects are proposed, do you take into account age of existing heating system?

A18. For any project application, DOER will consider all building and energy information for the critical facility being addressed.

Q19. Which municipalities (if any) did you model some/all of this after, and were any in California?

A19. We did a fair amount of research on programs in other states and countries incorporating a broad array of lessons learned and best practices. Our approach, however, is based on our priorities of: a focus on municipalities and regional entities, reaching a broader swatch of the Commonwealth, and using clean energy technology solutions. These are in line with the Green Communities Act and the broader goals of the Patrick Administration. I wouldn't say that there were any specific communities in California that we modeled the program on. Although, I am aware of some interesting distributed generation, storage and microgrid projects in California.

Q20. Are PV panel costs allowable/reimbursable, minus the portion of the cost of clean energy equipment that is already financially incentivized by other programs?

A20. See Q13.

Q21. For Funding Guidelines portion, you have some constant values for Base, adder, and etc.

- a. Is the base always \$ 125K for any project or what are the set of criteria to determine the base?
(Is this value equal to Median per capita income + population)**

Yes, the base is a constant equal to \$125,000.

- b. Is the population referring to the population of the Municipality? For a Nursing Home or Adult Care Facility, would this be the population of the site?**

The population refers to the applicant. So, if a municipality is the lead applicant, then the total maximum available funds for all projects proposed by that municipality would come from this calculation.

- c. Is 10% a constant value that does not change?**

There are 10% adders for interconnection and administrative costs. These are based on the calculated multiplier for a given applicant.

Q22. Cogeneration projects are qualified to receive funding under Mass Save Incentive Program through the Utility company (National Grid). Our standard product which we will use for the purpose of Resiliency Program is 100 kW with an average installed cost of \$ 4,200/kW. As instance, for 3 units, that would be equivalent to \$ 1.26MM and we are able to receive \$ 750 or \$ 950/kW through the Utility Company which brings the average project cost down to 1.035MM to 975K range. Are we still able to receive extra funding through DOER Resiliency Program and what would be the typical cap for the funding we can receive?

A22. There is no typical cap, per se. But, funding beyond the utility rebate for a CHP unit would only be for the “resilient” features of a unit. That is, those allowing for islanding and black-start, and perhaps ride-through.

Q23. We have discussed about the program with John Ballam and also have touch based with Trevis Sheehan from Boston Redevelopment Authority regarding projects in Boston area but would like to know your thoughts and find out the most feasible and reasonable way to ask for additional funds that are available for customer’s projects.

A23. As only eligible applicants can request funding, in this case, the city of Boston, please work with them on all project proposals.

Q24. If a regional utility was interested in applying, would they have to designate a municipality as the lead and then have that community apply on their behalf? So how would the max funding work? Would the regional utility only be eligible for the maximum amount of whatever the municipality applying on their behalf is eligible for?

A24. Only municipalities or regional public entities are eligible applicants for the Initiative. If a utility were interested in the program, they would need to work with one of those eligible applicants. The maximum amount would be based on the applicant, yes. If it were one municipality, that max calculation would be based on them, if the project was for multiple municipalities, it would be the sum of those max calculations.

Q25. So, from DOER's point of view, Hanscom AFB could partner with Bedford (for example), and Bedford would apply for the grant. The resiliency project would take place on property owned by Hanscom AFB. Who would actually receive the grant money? The only way Hanscom could receive it if the \$ were funneled through a utility (probably Nstar). What is your take on this? Does DOER have any initial objections/creative solutions?

A25. The Initiative contract and monies would only be with a municipality or regional public entity like a regional water district or regional planning agency. In this case, the base would then work with the municipality on procurement, though I'm not sure what sort of contracting that would require. DOER would not be able to disperse money to a utility.